

M e m o r a n d u m

Date: May 21, 2010

To: Office of the Commissioner
Attention: Commissioner J. A. Farrow

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**
Office of the Assistant Commissioner, Inspector General

File No.: 005.9968.A13471.010

Subject: FINAL 2009 COMMAND AUDIT REPORT OF THE NAPA AREA

In accordance with the Institute of Internal Auditors, *International Standards for the Professional Practice of Internal Auditing* §2440, issued by the Institute of Internal Auditors, Government Code §13887(a)(2), and the California Highway Patrol Audit Charter, I am issuing the 2009 Command Audit Report of the Napa Area. The audit focused on the command's Driving Under the Influence and Asset Forfeiture Programs.

The audit revealed the command has adequate operations. However, some issues were observed. This report presents suggestions for management to improve on some of its operations. In doing so, operations would be strengthened and the command would ensure it is operating in compliance with policies and procedures. We have included our specific findings, recommendations, and other pertinent information in the report. The Napa Area agreed with all of the findings and plans to take corrective action to improve its operations.

Napa Area will be required to provide a 30 day, 60 day, six month, and one year response on its corrective action plan implementation. If identified issues are resolved and addressed during any phase of the above reporting period, no future action is required on their behalf. Also, the Office of Inspections plans on conducting a follow-up review within one year from the date of the final report.

Additionally, in accordance with the *International Standards for the Professional Practice of Internal Auditing* and Government Code §13887(a)(2), this report, the response, and any follow-up documentation is intended for the Office of the Commissioner; Office of the Assistant Commissioner, Field; Office of the Assistant Commissioner, Inspector General; Office of Legal Affairs; Office of Inspections; Golden Gate Division; and the Napa Area. Please note this report restriction is not meant to limit distribution of the report, which is a matter of public record pursuant to Government Code §6250 et seq.

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Furthermore, in accordance with the Governor's Executive Order S-20-09 to increase government transparency, the final audit report, including the response to the draft audit report, will be posted on the CHP's internet website, and on the Office of the Governor's webpage, located on the State's Government website.

The Office of Inspections would like to thank Napa Area's management and staff for their cooperation during the audit. If you need further information, please contact Captain Ernie Sanchez at (916) 843-3160.

A handwritten signature in blue ink, appearing to read "M. C. A. Santiago".

M. C. A. SANTIAGO, CIG, CLEA
Assistant Commissioner

cc: Office of the Assistant Commissioner, Field
Golden Gate Division
Napa Area
Office of Legal Affairs
Office of Inspections, Audits Unit

DEPARTMENT OF CALIFORNIA HIGHWAY PATROL

COMMAND AUDIT OF THE NAPA AREA



FINAL REPORT

MAY 21, 2010

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

DEPARTMENT OF CALIFORNIA HIGHWAY PATROL

COMMAND AUDIT OF THE NAPA AREA

OFFICE OF INSPECTIONS, AUDITS UNIT

MAY 21, 2010

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EXECUTIVE SUMMARY

The Commissioner has the responsibility, by statute, to enforce laws regulating the operation of vehicles and use of highways in the State of California and to provide the highest level of safety, service, and security to the people of California. Consistent with the California Highway Patrol's (CHP) 2009 Audit Plan, the Office of the Commissioner directed the Office of Inspections, Audits Unit, to perform an audit of the Napa Area.

The CHP's 2008-2010 Strategic Plan highlights the mission statement which includes five broad strategic goals designed to guide the CHP's direction. One strategic goal is to continuously look for ways to improve the efficiency and/or effectiveness of departmental operations.

The objective of the audit is to determine if the command has complied with operational policies and procedures regarding the Driving Under the Influence (DUI) Cost Recovery and Asset Forfeiture Programs. Additionally, this audit will provide managers with reasonable, but not absolute, assurance that departmental operations are being properly executed. The audit period was from January 1, 2008 through March 31, 2009. However, to provide a current evaluation of the command, primary testing was performed of business conducted during the period of July 1, 2008 through March 31, 2009. The audit included a review of existing policies and procedures, as well as, the examining and testing of recorded transactions, to determine compliance with established policies, procedures, and good business practices. The audit field work was conducted from April 6 - 9, 2009.

Sample selection for this audit was primarily random. However, if a judgmental sample was necessary, the auditor selected accordingly. Whenever possible, the use of risk assessment was used to select a sample containing the highest probability of risk to the command.

Based on the review of the Napa Area's operations, this audit revealed the Napa Area has complied with most operational policies. However, some issues were observed. The following is a summary of the identified issues:

DUI Cost Recovery Program

- The command did not always properly complete their DUI Cost Recovery Program documents.
- The command did not always submit their DUI Cost Recovery Program billing packages timely to Fiscal Management Section.

Please refer to the Findings and Recommendations section for detailed information.

AUDIT REPORT

INTRODUCTION

To ensure the California Highway Patrol's (CHP) operation is efficient and/or effective and internal controls are in place and operational, the Office of the Commissioner directed the Office of Inspections, Audits Unit, to perform an audit of the Napa Area.

The CHP's 2008-2010 Strategic Plan highlights the mission statement which includes five broad strategic goals designed to guide the CHP's direction. One strategic goal is to continuously look for ways to improve the efficiency and/or effectiveness of departmental operations. This audit will assist the CHP in meeting its goal.

OBJECTIVE AND SCOPE

The objective of the audit is to determine if the command has complied with operational policies and procedures regarding the Driving Under the Influence (DUI) Cost Recovery and Asset Forfeiture Programs that provide managers with reasonable, but not absolute, assurance departmental operations are being properly executed. The audit period was from January 1, 2008 through March 31, 2009. However, to provide a current evaluation of the command, primary testing was performed of business conducted during the period July 1, 2008 through March 31, 2009. This audit included the review of existing policies and procedures, as well as, examining and testing recorded transactions, to determine compliance with established policies, procedures, and good business practices. The audit field work was conducted from April 6 - 9, 2009.

METHODOLOGY

Under the direction of the Office of the Commissioner, each command was randomly selected to be audited regarding its DUI Cost Recovery and Asset Forfeiture Programs. Sample selection of areas to be audited was primarily random or judgmental. Whenever possible, the use of risk assessment was used to select a sample containing the highest probability of risk to the command.

There were no prior audit reports and findings of this command.

OVERVIEW

DUI Cost Recovery Program: The command was compliant with most state laws and departmental policies and has adequate internal controls regarding their DUI Cost Recovery Program. However, the command did not always properly complete their DUI Cost Recovery Program documents and submit their DUI Cost Recovery Program billing packages timely to Fiscal Management Section.

Asset Forfeiture Program: The command was compliant with state laws and departmental policies and has adequate internal controls regarding their Asset Forfeiture Program.

This audit revealed the command has adequate operations, nevertheless, minor issues were discovered, which if left unchecked could have a negative impact on the command and CHP operations. These issues should be addressed by management to maintain the command's compliance with appropriate law, regulations, policies, and procedures. The issues and appropriate recommendations are presented in this report.

As a result of changing conditions and the degree of compliance with policies and procedures, the efficiency and effectiveness of operations change over time. Specific limitations may hinder the efficiency and effectiveness of an otherwise adequate operation include, but are not limited to, resource constraints, faulty judgments, unintentional errors, circumvention by collusion, fraud, and management overrides. Establishing compliant and safe operations and sound internal controls would prevent or reduce these limitations; moreover, an audit may not always detect these limitations.

FINDINGS AND RECOMMENDATIONS

DRIVING UNDER THE INFLUENCE (DUI) COST RECOVERY PROGRAM

FINDING 1: **The command did not always properly complete their DUI Cost Recovery Program documents.**

Condition: From July 1, 2008 to March 31, 2009, the command generated 87 CHP 735, Incident Response Reimbursement Statements. The auditor randomly selected 20 DUI Cost Recovery Program billing packages. Based on the review, all 20 (100 percent) billing packages revealed the offender's court case numbers were not recorded on the CHP 415, Daily Field Record.

Additionally, 11 (55 percent) billing packages revealed the offender's names were not listed on any of the CHP 415 forms and in another eight (40 percent) cases the offender's names were not consistently listed on the CHP 415 forms.

Criterion: Government Code Section 13403(a)(6) says one of the elements of a satisfactory system of internal accounting and administrative control is an effective system of internal review.

Highway Patrol Manual (HPM) 11.1, Administrative Procedure Manual, Chapter 20, DUI Cost Recovery Program, paragraph 4.e.(2)(c)(1) states, "Offender's name and court case number shall be included on the CHP 415, Daily Field Record."

Recommendation: The command should record the offender's court case number and name on the corresponding CHP 415.

FINDING 2: **The command did not always submit their DUI Cost Recovery Program billing packages timely to Fiscal Management Section (FMS).**

Condition: Based on a review of 20 CHP 735 forms, only three (15 percent) DUI Cost Recovery billing packages were not submitted to the FMS within 10 business days.

Criterion: HPM 11.1, Administrative Procedures Manual, Chapter 20, DUI Cost Recovery Program, paragraph 4.b.(1) states, "Completed CHP 735s, Incident Response Reimbursement Statements, based on Section A (refer to Annex B) shall be forwarded to Fiscal Management Section (FMS), Reimbursable Services Unit, within ten business days of one of the following dates:

(a) The date BAC results of .08% or greater are received.

(b) The date BAC results of .04% or greater are received for a commercial driver.”

HPM 11.1, Administrative Procedures Manual, Chapter 20, DUI Cost Recovery Program, paragraph 4.b.(2) states, “Completed CHP 735s, Incident Response Reimbursement Statements, based on Section B (refer to Annex C) shall be forwarded to FMS, Reimbursable Services Unit, within ten business days of the notification of a conviction of CVC Sections 23152, 23153, or greater offense as a result of one of the following:

- (a) In the case of a refusal.
- (b) An arrest for drugs only.
- (c) A BAC of less than .08%.”

Recommendation: The command should comply with departmental policy to submit DUI Cost Recovery billing packages timely to FMS.

CONCLUSION

Based on the review of the command's operation, this audit revealed the command has adequate operations. However, some issues were observed. This report presents suggestions for management to improve on some of its operations. In doing so, operations would be strengthened and the command would operate in accordance with departmental policies and procedures.

ANNEX

A

Memorandum

Date: April 28, 2010

To: Office of Inspections

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**
Golden Gate Division

File No.: 301.12877.11327.A8970

Subject: RESPONSE TO DRAFT 2009 COMMAND AUDIT REPORT OF NAPA AREA

Golden Gate Division has reviewed the attached response to the draft Command audit report of Napa Area and concurs with the Commander. As outlined in the audit report, all findings requiring follow-up have been addressed and all recommendations were implemented. This memorandum will serve as a final report and no quarterly updates will be necessary.

Should you require further information regarding the contents of this memorandum, please contact Assistant Chief Cathy Sulinski at (707) 648-4180.



T. M. BECHER, Chief

Attachments



Safety, Service, and Security

ANNEX

B

Memorandum

Date: April 28, 2010

To: Golden Gate Division

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**
Napa Area

File No.: 325.12135.12292.ch8

Subject: RESPONSE TO DRAFT 2009 COMMAND AUDIT REPORT OF NAPA AREA

This memorandum is intended to serve as the written response to the draft Command Audit Report of Napa Area as required.

FINDINGS REQUIRING FOLLOW-UP:

Finding #1: Agree. Area management and supervisors will make a concerted effort on a daily basis to ensure the offender's name and court case numbers are being recorded on the CHP 415, Daily Field Record, and included in the DUI Cost Recovery billing packages.

Finding #2: Agree. Area management and sergeants will improve oversight during the review process to ensure prompt completion and submission of CHP 735, Incident Response Reimbursement Statements within ten business days when BAC results of .08% or greater are received, or BAC of .04% or greater are received for a commercial driver.

Questions regarding this response may be directed to Captain Mark Rasmussen via e-mail at marasmussen@chp.ca.gov or by telephone at (707) 253-4906.



M. A. RASMUSSEN, Captain
Commander

Attachment

cc: Office of the Assistant Commissioner, Inspector General
Office of the Assistant Commissioner, Field
Office of Legal Affairs
Office of Inspections, Audits Unit

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